Manitoba

Annual Report 1988

The Public Schools Finance Board

Manitoba

90-01288/

Education

Public Schools
Finance Board

506 — 1181 Portage Avenue
Winnipeg, Manitoba, CANADA
R3G 0T3

June 6, 1989

The Honourable Len Derkach
Minister of Education
168 Legislative Building
Winnipeg, Manitoba
R3C 0V8

Sir:

I have the honour to submit, herewith, pursuant to Section 13 of The Public Schools Finance Board Act, the Annual Report of The Public Schools Finance Board, for the year ending December 31, 1988.

Yours respectfully,

A. A. Frechette
Chairman

MAJOR CAPITAL CONSTRUCTION PROJECTS
Initially Approved in 1988

School Division/School	Project	Estimated Total Costs
Winnipeg No. 1		
Meadows West	addition of high quality relocatable classrooms	$ 600,000
Stanley Knowles	addition of high quality relocatable classrooms	600,000
School replacement	new school	2,500,000
St. James-Assiniboia No. 2		
Allard	renovations	300,000
Assiniboine South No. 3		
Lindenwoods	new school	3,000,000
Seven Oaks No. 10		
Victory	addition and renovations	800,000
Seine River No. 14		
New school	new school	2,500,000
		$ 10,300,000

SUMMARY

SCHOOL DEBENTURES PURCHASED BY THE MINISTER OF FINANCE

DURING 1988

SCHOOL DIVISION	NO.	DATE(S)		AMOUNT	TOTAL
Winnipeg	1	January	15	$ 1,800,000	
		February	28	2,034,000	
		April	30	960,000	
		May	31	800,000	
		June	30	1,210,000	
		July	31	372,000	
		August	31	707,000	
		September	30	723,000	
		November	30	785,000	$ 9,391,000
St. James-Assiniboia	2	May	15	1,695,000	
		December	15	325,000	2,020,000
Assiniboine South	3	November	30	1,571,000	1,571,000
St. Boniface	4	June	15	104,000	
		October	15	55,000	159,000
Fort Garry	5	July	15	568,000	
		October	15	120,000	688,000
St. Vital	6	February	15	416,000	
		July	15	375,000	
		October	31	1,160,000	
		December	15	800,000	2,751,000
Norwood	8	March	31	85,000	85,000
River East	9	October	15	73,000	
		December	15	325,000	398,000
Seven Oaks	10	September	15	146,000	
		October	31	495,000	
		December	15	495,000	1,136,000
Transcona-Springfield	12	June	15	385,000	
		August	31	745,000	
		October	15	1,450,000	
		November	15	855,000	3,435,000
Agassiz	13	October	31	225,000	
		December	15	515,000	740,000

SCHOOL DIVISION	NO.	DATE(S)		AMOUNT	TOTAL
Seine River	14	February	28	$ 415,000	
		August	31	218,000	
		October	15	670,000	
		November	15	530,000	
		December	15	276,000	$ 2,109,000
Hanover	15	January	15	225,000	
		March	15	333,000	
		August	31	190,000	748,000
Red River	17	March	31	205,000	
		August	15	133,000	338,000
Interlake	21	December	15	63,000	63,000
Lakeshore	23	October	31	56,000	56,000
Portage la Prairie	24	October	31	101,000	
		December	31	170,000	271,000
Midland	25	April	30	95,000	95,000
Garden Valley	26	March	15	275,000	
		April	30	105,000	
		June	15	130,000	510,000
Pembina Valley	27	July	15	119,000	
		August	15	260,000	
		October	15	340,000	
		December	15	515,000	1,234,000
Mountain	28	July	15	68,000	68,000
Tiger Hills	29	March	15	70,000	70,000
Pine Creek	30	October	31	129,000	129,000
Turtle River	32	December	15	45,000	45,000
Dauphin-Ochre Area	1	March	31	730,000	
		December	15	76,000	806,000
Intermountain	36	May	31	255,000	
		October	15	133,000	388,000
Pelly Trail	37	July	15	65,000	
		October	31	745,000	
		October	31	99,000	909,000

SCHOOL DIVISION	NO.	DATE(S)		AMOUNT	TOTAL
Brandon	40	February	15	$ 835,000	
		May	31	1,295,000	
		October	15	1,900,000	
		October	31	565,000	
		December	15	963,000	$ 5,558,000
Fort La Bosse	41	February	28	318,000	318,000
Antler River	43	August	31	133,000	133,000
Turtle Mountain	44	October	31	285,000	285,000
Kelsey	45	December	15	175,000	175,000
Frontier	48	March	31	140,000	140,000
Mystery Lake	2355	March	15	222,000	
		May	15	157,000	379,000
TOTAL					37,201,000
Summary		January	15	2,025,000	
		February	15	1,251,000	
		February	28	2,767,000	
		March	15	900,000	
		March	31	1,160,000	
		April	30	1,160,000	
		May	15	1,852,000	
		May	31	2,350,000	
		June	15	619,000	
		June	30	1,210,000	
		July	15	1,195,000	
		July	31	372,000	
		August	15	393,000	
		August	31	1,993,000	
		September	15	146,000	
		September	30	723,000	
		October	15	4,741,000	
		October	31	3,860,000	
		November	15	1,385,000	
		November	30	2,356,000	
		December	15	4,743,000	
				37,201,000	

Manitoba

THE PUBLIC SCHOOLS FINANCE BOARD

REPORT OF THE PROVINCIAL AUDITOR'S OFFICE

We have examined the financial statements, being Exhibits A, B, C and Schedules 1 and 2, of The Public Schools Finance Board for the fiscal year ended December 31, 1988. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances, except with respect to the appropriateness of the costs of administering the Board included in these financial statements as described in the following paragraph.

As indicated in note 5 to the financial statements, the Board is taking steps to review its structure and mandate under the Public Schools Finance Board Act (Act). Because this review is not complete, it is impractical for the Board to estimate any adjustments which would be required to these financial statements to ensure compliance with section 9(2) of the Act with respect to costs of administering the Board. Similarly, it is impractical to estimate the effect of such adjustments on liabilities and the Municipal corporations' education support levies account.

In our opinion, except for the effect of any adjustments which would be required to ensure compliance with section 9(2) of the Act as discussed in the preceding paragraph, these financial statements present fairly the financial position of the Board as at December 31, 1988 and the results of its operations for the year then ended in accordance with the accounting policies stated in note 2 to the financial statements applied on a basis consistent with the preceding year.

F. H. Jackson, CA,
Provincial Auditor.

April 25, 1989,
Winnipeg, Manitoba.

MG-14821

EXHIBIT A

THE PUBLIC SCHOOLS FINANCE BOARD

Balance Sheet
as at December 31, 1988
(with 1987 figures for comparison)

ASSETS	1988	1987
Cash in bank	$ 11,486,541	$ 385,110
Accounts receivable:		
Government of the Province of Manitoba	13,837,578	14,218,766
Municipal corporations, education support levies	23,544,953	78,406,972
Miscellaneous	264,407	239,917
Prepaid expense	5,212	-
Deferred costs, Notes 2(a) and 6	195,568	-
	$ 49,334,259	$ 93,250,765
LIABILITIES		
Accounts payable and accrued charges:		
Education support	$ 4,635,231	$ 2,845,329
Other	1,959,367	1,303,205
Notes payable on demand, at bank prime -		
Government of the Province of Manitoba	23,491,000	70,083,900
	30,085,598	74,232,434
Municipal corporations' education support levies account, Note 4, Exhibit C	19,248,661	19,018,331
	$ 49,334,259	$ 93,250,765

EXHIBIT B

THE PUBLIC SCHOOLS FINANCE BOARD

Statement of Revenue and Expenditure
for the year ended December 31, 1988
(with 1987 figures for comparison)

	1988	1987
Revenue:		
Government of the Province of Manitoba, share of the Government Support to Education Program	$ 441,588,098	$ 418,614,270
Municipal corporations, education support levy	206,292,364	196,144,764
	647,880,462	614,759,034
Expenditure:		
Government Support to Education Program:		
Education support, Schedule 1	640,273,197	605,649,189
Administrative and other expenses, Schedule 2	7,630,271	7,617,899
	647,903,468	613,267,088
Excess (deficiency) of revenue over expenditure carried forward to municipal corporations' education support levies account, Note 2(b), Exhibit C	$ (23,006)	$ 1,491,946

EXHIBIT C

THE PUBLIC SCHOOLS FINANCE BOARD

Statement of Municipal Corporations' Education Support Levies Account
for the year ended December 31, 1988
(with 1987 figures for comparison)

	1988	1987
Balance, beginning of year	$ 19,018,331	$ 17,275,202
Excess (deficiency) of revenue over expenditure, Note 2(b), Exhibit B	(23,006)	1,491,946
	18,995,325	18,767,148
Adjustment of previous years' education support from estimated to actual, Note 2(c)	253,336	251,183
Balance, end of year, Note 4, Exhibit A	$ 19,248,661	$ 19,018,331

SCHEDULE 1

THE PUBLIC SCHOOLS FINANCE BOARD

Statement of Education Support
for the year ended December 31, 1988
(with 1987 figures for comparison)

	1988	1987
Operating:		
Block	$ 332,283,724	$ 329,138,148
Equalization	110,227,723	92,909,992
Guarantee	41,540,079	39,299,245
Special services	43,933,506	38,357,200
Transportation	27,613,822	27,615,572
Curricula materials	6,456,066	7,361,852
Bilingualism	6,318,482	5,865,280
Vocational industrial	4,932,005	4,931,865
Language development for Natives	2,771,628	2,063,050
Inner city	1,908,317	1,906,520
Compensatory	3,474,680	3,021,250
English as a second language	1,928,718	1,714,680
Small schools	1,690,989	2,042,127
Heritage language	274,019	257,671
Loss of Treaty Indian enrolment	-	65,946
Early identification	254,880	218,015
Interest	228,480	-
Capital:		
Debt servicing, Notes 2(a) and 3	42,626,614	37,289,060
Other	4,758,028	6,422,274
Buses	5,659,598	3,745,193
Vocational equipment	1,391,839	1,424,249
Total education support, Exhibit B	$ 640,273,197	$ 605,649,189

THE PUBLIC SCHOOLS FINANCE BOARD

Statement of Administrative and Other Expenses
for the year ended December 31, 1988
(with 1987 figures for comparison)

	1988	1987
Board members' indemnities	$ 104,384	$ 95,595
Staff salaries, Note 5	799,105	730,121
Professional services	52,352	46,779
Travel and sundry	29,366	26,118
Printing, stationery and supplies	73,827	46,906
Equipment, Note 2(a)	706,815	32,131
Telephone	20,480	16,175
Insurance	11,500	12,950
Equipment rentals	10,346	4,080
Interest charges on loans for advances of support	5,822,096	6,607,044
Total administrative and other expenses, Exhibit B	$ 7,630,271	$ 7,617,899

THE PUBLIC SCHOOLS FINANCE BOARD

Notes to Financial Statements
December 31, 1988

1. Nature of the Board's Operations

The Public Schools Finance Board was established by The Public Schools Finance Board Act in April 1967. The objectives of the Board are to facilitate the financing of the Government Support to Education Program for school divisions and to assist boards of school divisions in the economic operation of the school system. The Board is responsible for the administration of the support provided under the Program.

2. Significant Accounting Policies

(a) The accounts of the Board are maintained on an accrual basis, except for debt servicing support which is expensed on a cash basis, and fixed asset purchases which are expensed in the year of acquisition. Recoverable costs associated with the purchase of computer software programs and their installation in the public schools are recorded as deferred expenses. Recoveries are credited directly against this account. Any non-recoverable amounts are charged to operations in the year this is determined. Note 6 provides details regarding this matter.

(b) Education support requirements are determined in the first instance on the basis of financial budgets of school divisions. The amount of the funding requirements not covered by the Province is raised by municipal corporations. The excess or deficiency of revenue over expenditure is reflected in the municipal corporations' education support levies account.

(c) The education support for previous years is adjusted based on final statistical reports and audited financial statements of the school divisions. The statement of municipal corporations' education support levies account, Exhibit C, reflects the adjustment.

3. Debt Servicing

The capital support portion of the Government Support to Education Program includes payments made to service the debenture debt of the school divisions during the fiscal year. The Board has not, however, assumed the legal liability related to the repayment of such long-term debt.

THE PUBLIC SCHOOLS FINANCE BOARD

Notes to Financial Statements
December 31, 1988

4. Commitments

As at December 31, 1988, the Board has $1,112,714 (1987 - $2,171,949) in outstanding commitments for the purchase of school buses, $1,462,845 (1987 - $501,234) for vocational equipment and other capital project approvals carried forward, and $122,938 (1987 - NIL) for the purchase of a mini computer.

5. Cost Apportionment

The Government of the Province of Manitoba provides the Board with staff for administrative purposes. A portion of the employees' salaries is charged to the Board's operations.

In 1988, the Board initiated a review to examine its mandate and structure with particular emphasis on the legislation incorporating it. This review may result in recommendations for changes to the Act or in changes to the basis of apportionment of administrative costs, including such costs as salaries and employee benefits, office space and utilities, borne by the Board under section 9(2) of the Act. Because this review is not complete, it is impractical for the Board to estimate the full extent of any adjustments which would be required to these financial statements to ensure full compliance with the requirements of the Act to recover the costs of administering its programs. For those individuals whose salaries are charged to the Board's operations, the Board has estimated the cost for 1988 pertaining to employee benefits to be $115,900 and for office space and utilities to be $35,300. These amounts are not included in the financial statements.

6. Deferred Costs

During 1988 the Board authorized the purchase of a computerized School Administrator System with anticipated full recovery to be made over the next three to five years. As at December 31, 1988, the Board had spent $259,951 for the System and recovered $64,383 from the sale of 87 Systems.